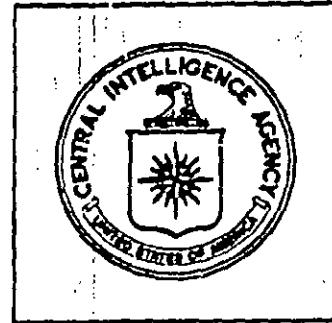


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Latin America
**REGIONAL AND
POLITICAL ANALYSIS**

10

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Chile: Running Hot and Cold

President Pinochet's recent announcements on a phased return to constitutional rule and changes in the intelligence structure have prompted wide conjecture within Chile about the country's political future. The measures are still cloaked in ambiguity, and follow-up statements by government officials suggest that the junta has no firm idea as to how the specifics will be accomplished for further normalization. Despite some wavering and back-pedaling on the government's part, however, the momentum established so far is likely to persist.

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One point that does emerge sharply in Pinochet's comments over the past several weeks is that he intends to keep the process tightly in hand and prevent it from unraveling too fast. In public speeches, Pinochet and junta member General Leigh--who has frequently been outspoken in his criticism of the President--both have emphasized the necessity of advancing carefully along this path. Leigh stressed that repairing the economy and overcoming the hatred engendered by the Allende years must precede a full restoration of democracy. Pinochet said hasty elections would create "a power vacuum that would be fatal for the country." He also termed the government's plan a "calculated risk" since he anticipated a ground swell of "personal and political ambitions."

Pursuing this theme, Pinochet took a swipe at "impatient" Chileans who seek foreign support for their aspirations--a clear reference to recent contacts between US diplomatic and congressional visitors and opposition labor and political party figures. Such remarks can be ascribed to government sensitivity to domestic criticism of the lengthy time frame proposed for eventual elections. They also reflect Pinochet's stubborn determination to avoid the appearance of caving in to foreign pressures.

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Another indication of government efforts to dampen expectations of political transformation [redacted]

[redacted] Pinochet allegedly said that the state of 1.50
siege and the curfew would continue. This has been a
highly controversial subject in Chile; most observers
expect Pinochet to announce the end of the state of
siege when the junta observes its fourth anniversary on
11 September. [redacted]

[redacted] earlier that these emergency pro-
visions would most likely be shelved soon.

[redacted] Pinochet may be having second thoughts about moving
too fast too soon and perhaps encouraging opponents who
would like to see the armed forces return to the bar-
racks as quickly as possible. Thus, while some modifi-
cation in the present situation is a possibility on
11 September, the hedging evident in Pinochet's latest
pronouncements suggests that the matter is still being
debated within official circles and that a final ruling
has not yet been made.

[redacted] The government is probably apprehensive about
loosening security restrictions which in turn could
spark open dissent. While such fears appear exaggerated,
the arrest of seven persons for alleged subversive ac-
tivity last week--the first such incident in months--
will keep this concern uppermost in the minds of Chilean
leaders. Terrorism has been effectively suppressed by
this government and we believe an internal threat to the
regime is extremely slight.

[redacted] The spate of detentions may be part of a rumored
campaign to round up potential troublemakers prior to
the fourth anniversary observances. Whatever the cir-
cumstances, the group is in the hands of military prose-
cutors, and the fact that arrests were conducted openly
by carabineros instead of secret police suggests that
the dissolution of the Directorate of Intelligence
(DINA) may be improving security practices and reducing
the chances of illegal abuses.

[redacted] On the other hand, the legal framework establishing
DINA's successor, the National Information Center (CNI),
appears to have a loophole giving it limited detention

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powers under an arms control law; it also does not absolutely guarantee that CNI will engage strictly in intelligence collection. Moreover, Colonel Contreras apparently remains in charge of the new organization, despite opposition from some army generals who think it is a mistake to leave the former DINA chief in this position. The same generals, however, believe that the budgetary and personnel authority exerted by the Interior Minister will have a salutary effect in controlling the intelligence organization.

In spite of these shortcomings, we are inclined to view recent moves as a positive step in changing the modus operandi of the internal security mechanism. The Council of Army Generals evidently played a key role in convincing Pinochet to adopt important policy shifts to improve the country's image and its relations with the US. Strong evidence of retrogression in the human rights area would probably evoke pressures from officers and junta members who favor continued progress toward normalization.

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1 September 1977